

## **FISCAL NOTE**

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 16, 1995

SUBJECT: **HB 237 - SB 734**

This bill, if enacted, will provide for the *Tennessee Affordable Health Insurance for Small Business Act of 1995*. The bill repeals the *Tennessee Small Employer Group Health Coverage Reform Act* enacted in 1992.

The bill requires companies providing health care coverage to offer certain plans for employers with less than 100 employees. These plans are community rated. The benefits of these plans will be tied to the state employees benefits and must be offered without pre-existing exclusions. The bill requires rates to be filed with the Commissioner of Commerce and Insurance for informational purposes. The bill also sets out penalties for violations of the act.

The fiscal impact from enactment of this bill is estimated to be an increase in first year expenditures of \$25,000 for one additional position to administer the provisions of the bill.

Enactment of this bill is also estimated to result in a decrease in first year state expenditures in the TennCare Program to the extent persons who are on TennCare because they have been refused insurance will be able to obtain insurance and will drop off the TennCare eligibility rolls due to passage of the bill. Such decrease cannot reasonably be determined but can reasonably be estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style with a large initial "J" and a long, sweeping underline.

James A. Davenport, Executive Director